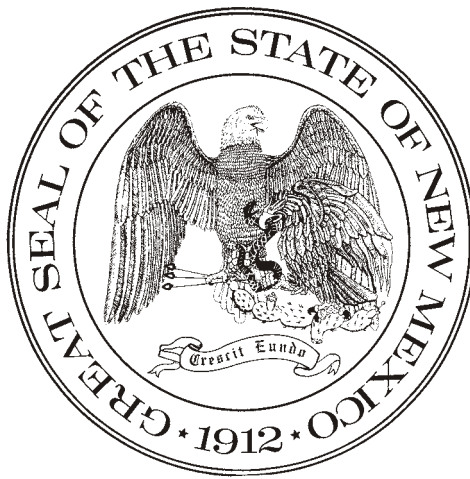


**Mortgage Finance Authority Act Oversight  
Committee**

**2007  
INTERIM REPORT**



**New Mexico State Legislature**  
*Legislative Council Service*  
*411 State Capitol*  
*Santa Fe, New Mexico*

**MORTGAGE FINANCE AUTHORITY ACT OVERSIGHT COMMITTEE**

## **2007 INTERIM SUMMARY**

At its initial meeting of the 2007 interim, the Mortgage Finance Authority (MFA) Act Oversight Committee identified seven areas upon which it intended to focus during the 2007 interim: 1) implementation and impact of the 2006 amendment of the anti-donation clause of the Constitution of New Mexico as it relates to regional housing; 2) the MFA's authority to issue bonds for regional housing projects, approve regional housing authority executive directors and conduct annual assessments of regional housing authorities; 3) existing and proposed rules promulgated by the MFA, including those relating to the Affordable Housing Act and the Housing Trust Fund; 4) the activities of the MFA related to energy conservation, including "green building" and weatherization programs; 5) implementation of Laws 2003, Chapter 118 relating to the assessment of affordable housing for taxation purposes; 6) affordable housing on tribal lands and land grants; and 7) 2008 legislative agenda items, including funding for emergency repairs and the Low Income Home Energy Assistance Program (LIHEAP). With the exception of one meeting to be held in Las Cruces, it was agreed that all committee meetings would be held at the MFA offices in Albuquerque.

Also at its initial meeting, Erin Quinn, MFA senior policy and program advisor, reviewed with the committee the MFA Handbook for 2007. Jay Czar, MFA executive director, reviewed the fate of MFA-sponsored legislation during the 2007 legislative session. One major success was the passage of Senate Bill 534, introduced by Senator Nancy Rodriguez, that amended the Affordable Housing Act. Another success was Senate Bill 519, which passed at the very end of the session, providing for oversight by the MFA of the regional housing authorities. Izzy Hernandez, MFA director of program administration, and Ms. Quinn reviewed elements of the MFA strategic plan. For each element, the presenters identified specific goals, the current status of progress toward meeting each goal and whether each goal had been met, was on target or indicated caution. All but two of the goals had either been met or were on target.

At the committee's second meeting of the interim, Joseph Montoya, MFA deputy director of operations, briefed the committee on the background and current status of the seven regional housing authorities created by the legislature in 1978 to help provide safe, decent and affordable housing. Mr. Czar presented a matrix describing the allocation of responsibilities among the MFA, the committee, the Department of Finance and Administration, the Legislative Finance Committee and the State Board of Finance for the oversight of regional housing authorities. Rick Martinez, deputy secretary of finance and administration, explained the role of the department in the oversight of regional housing authorities. Richard Chavez, MFA regional housing authorities liaison and former executive director for the Bernalillo County Housing Authority, introduced himself and described his background in housing authorities.

At the committee's third meeting of the interim, Ms. Quinn briefed the committee on the EnergySavers Program, a new program that is the result of a \$1 million appropriation by the legislature during the 2007 session. The EnergySavers Program will be administered by the MFA and will include two pilot programs. The first program will include a pool of funds available to low- and moderate-income homeowners for low rates and no-interest loans for energy-efficient retrofits. The other program will be a pool of funds available to builders for low-interest-rate loans for new energy-efficient systems for affordable single-family homes and

for affordable rental housing. Gina Martinez, MFA program specialist, briefed the committee on the MFA's Weatherization Assistance Program. Joe Stevens, director of programs, Central New Mexico Housing Corporation, along with his coworkers, demonstrated how an energy audit is carried out and explained steps that can be taken to improve energy efficiency in individual homes. Rose Baca-Quesada, MFA assistant manager for community development, briefed the committee on the proposed Housing Preservation Program for low-income persons. This program was proposed in the 2007 legislative session and was not funded, but it will be proposed again in the 2008 legislative session. The need for this type of assistance became evident following last year's flood near Hatch and recent tornado activity. Activities under the program would include repairs to the dwelling's envelope, interior walls and roof and accessibility modifications for disabled persons. Mr. Montoya briefed the committee on what the MFA is doing in the area of "green build" initiatives. The MFA will soon be hiring an intern for the next year. The intern will work 20 hours per week to develop incentives for green build practices. The proposed MFA three-year strategic plan (2006-2008) includes a specific objective to implement green build initiatives in all applicable MFA products and programs and to develop a program for a low-income house tax credit for programs using green build techniques and practices.

At the committee's fourth meeting of the interim, Domingo Martinez, Santa Fe County assessor, and Victor Baca, Santa Fe County deputy assessor, addressed the committee regarding the issue of valuing homes within affordable housing programs at fair market value. Mr. Martinez explained that state law seems clear, and he has had no choice but to assess homes at the full fair market value as required by state statute. He also noted that prior to the 2007 legislative session, his office had requested an opinion from the attorney general on whether the statute dealing with the valuation of residential properties required including a portion of a property's fair market value even though the landowner could not realize the full fair market value upon sale, but such an opinion has not yet been received. Duncan Sill, affordable housing director with the Santa Fe County Land Use Department, explained how this issue affected homeowners in Santa Fe County and transmitted resolutions from the Board of Commissioners of Santa Fe County and the Santa Fe City Council regarding this issue. Mr. Czar announced that the governor had appointed a task force on mortgage lending that would be staffed by the MFA. The task force was requested to prepare and present for the governor's consideration, by no later than October 31, 2007, recommendations related to subprime lending in New Mexico, the Home Loan Protection Act, home buyer counseling, financial literacy education, licensing requirements for mortgage loan originators and the effectiveness of plain language underwriting and more detailed disclosure requirements. Ms. Quinn briefed the committee on implementation of the 2006 revision to the anti-donation clause of the Constitution of New Mexico. Senate Bill 534 in the 2007 legislative session (Laws 2007, Chapter 49) revised the Affordable Housing Act to permit implementation of the 2006 constitutional revision. Lionel Holguin, MFA director of community development, and Marjorie Martin, MFA general counsel, reviewed proposed revisions to the administrative rules implementing the Affordable Housing Act. Linda Bridge, MFA director of housing development, reviewed proposed revisions to the administrative rules implementing the Housing Trust Fund Act, which proposed rules have been approved by the advisory committee. Lawrence Rael, executive director of the Mid-Region Council of Governments (MRCOG), and Dewey Cave, MRCOG director of planning and general services, briefed the committee on the current status of the Region III Housing Authority (Region III).

MRCOG is working with the State Investment Council to identify and liquidate assets owned by Region III and a subsidiary nonprofit, Housing Enterprises, Inc., to repay the \$5 million investment by the state. The attorney general has filed lawsuits against two former Region III employees and one former Region III board member. Mr. Chavez updated the committee on the current status of all regional housing authorities in the state. Mandy V. Griego, public housing revitalization specialist with the Albuquerque Field Office of the federal Housing and Urban Development Department (HUD), explained the Section 8 housing program that exists in all counties in New Mexico, except McKinley and Cibola.

At the committee's fifth meeting of the interim conducted in Las Cruces, Dr. Waded Cruzado Salas, executive vice president and provost, New Mexico State University, welcomed committee members to Las Cruces and to the university on behalf of President Mike V. Martin, who was unable to be present. Senator Mary Kay Papen introduced Francis Williams, who was invited to make comments to the committee. Ms. Williams thanked Lieutenant Governor Diane Denish and Senator Papen for their work in passing Senate Bill 519, during the 2007 legislative session, which bill affected the structure of the state's regional housing authorities. She commented on the price she has paid as a whistleblower and the work that still needs to be done to address problems with the state's regional housing authorities. She stated the need for the passage of an ethics bill to address collusion, corruption and cronyism. The full text of her comments is in the meeting file. Mr. Czar gave a brief review of the provisions of Senate Bill 519 passed during the 2007 legislative session, including the role of the MFA in the oversight of regional housing authorities, and indicated that he does not anticipate new legislation affecting regional housing authorities until the 2009 legislative session. Cathy DeMarco, executive director of the Region V Housing Authority, serving Grant, Catron, Hidalgo and Luna counties, gave a review of Region V's activities. Chris Herbert, executive director of the Region VI Housing Authority, serving Lincoln, Otero, Eddy, Chaves and Lea counties, gave a review of Region VI's activities. Mr. Chavez gave a regional housing authority update. Tom Hassell, executive director of the Housing Authority of the City of Las Cruces and Dona Ana County, briefed the committee on the history and activities of the housing authority. Thomas Andrews, vice president of J.L. Gray Company, discussed his company's involvement in the development and management of multifamily rental housing for low- and moderate-income families. Esperanza "Espy" Holguin, program specialist, Colonias Project, HUD, gave the committee a brief overview of the Colonias Project. Following the presentation regarding private developer participation in MFA programs, the committee had lunch, at which time welcoming comments were given by Las Cruces Mayor Pro Tem Dolores Connor, Las Cruces City Manager Terrence Moore and Ms. Holguin. Following lunch, committee members were given a tour of the following MFA projects: Stone Mountain Place and Los Altos Village Apartments in Las Cruces. Representative Jeff Steinborn was present to welcome committee members to Los Altos Village Apartments.

At the committee's sixth meeting of the interim, Mr. Czar reported that the Governor's Task Force on Mortgage Lending had completed its report and submitted it to the governor. Key issues studied by the task force included licensure of mortgage brokers, mortgage disclosure requirements and financial literacy programs. The task force made recommendations for

legislative reform; homebuyer counseling and financial literacy education; and loan originator licensing. Fred Nathan, executive director of Think New Mexico, reported that Think New Mexico has focused this year on title insurance and on reforming title insurance law as a means of increasing the ability of New Mexicans to afford their own homes. New Mexico is one of only three states where title insurance prices are set by state regulators. Mr. Nathan discussed proposed legislation that will address minimum required coverage, what title insurance would protect against, lenders' policies versus owners' policies and deregulation of the industry to increase competition among title insurers. Mr. Czar, Mr. Montoya, Mr. Holguin and Ms. Quinn presented seven bills that the MFA proposed for committee endorsement and also requested endorsement of a capital outlay reauthorization. The committee agreed that the capital outlay reauthorization should be requested by the original sponsor of the capital outlay and it endorsed the following bills:

- \* an appropriation of \$15 million to the New Mexico Housing Trust Fund, to be sponsored by Senator Rodriguez;
- \* an appropriation of \$2.5 million for a residential energy efficiency improvement loan program, to be sponsored by Senator Martinez;
- \* an appropriation of \$5 million for a residential energy conservation program, to be sponsored by Senator Martinez;
- \* an appropriation of \$2 million for an emergency home repairs program, to be sponsored by Senator Martinez;
- \* an appropriation of \$2 million for a below-market home loans program, to be sponsored by Representative Gonzales;
- \* an appropriation of \$1 million for a home buyer education program, to be sponsored by Senator McSorley; and
- \* a bill to clarify the purpose of an appropriation passed by the legislature in the 2007 session for audits of regional housing authorities, to be sponsored by Senator Rawson.

The New Mexico Coalition to End Homelessness requested additional funding of at least \$500,000 from the Human Services Department for a supportive housing program, and also requested \$760,000 to expand supportive housing services for youth who are coming out of foster care. Mr. Chavez provided a brief update of the regional housing authorities, reporting that:

- \* a resolution was made to disband the board of Region II;
- \* Region III still has audit issues, with three years of audits still needed;
- \* the MFA has just provided Region IV with a new contract;
- \* Regions V and VI both need to expand some programs, but these two regions do not have the problems that some of the other regions have;
- \* Regions II and IV are the worst of the regional housing authorities, and both need to get into compliance with the federal Department of Housing and Urban Development requirements; and
- \* the state auditor is doing an audit of all regional housing authority assets.

At the committee's seventh and last meeting of the interim, Mr. Chavez updated the committee on the current status of the regional housing authorities. Ms. Bridge reviewed the

status of MFA programs on tribal lands. Tribes and tribally designated housing entities have become more involved in accessing federal programs to increase housing opportunities for Native Americans. Nine tribes have produced 461 units of rental housing using low-income housing tax credits and other MFA-administered programs (15 developments totaling over \$47 million) as well as 150 units of home ownership or home rehabilitation. More than \$3 million in federal grants were obtained to support more than 300 units of affordable housing. Mr. Holguin explained the history of the New Mexico land grants and noted that Truchas, Abiquiu, Chilili and Anton Chico have all set aside communal land for the development of affordable housing. MFA is currently working to develop a land grant loan program that would enable assistance to land grant residents who qualify pursuant to the MFA affordable housing guidelines. Mr. Van Gorder explained changes that had been made to a draft appropriation bill for a home loan program as a result of comments by committee members at the committee's November meeting. Members of the MFA staff responded to questions by committee members regarding the current MFA "HERO" home loan program and the committee voted without objection to endorse the proposed bill. Mr. Nathan and Grant Taylor of Think New Mexico presented a draft of a bill that would address the real estate title industry in New Mexico. Mr. Czar noted that the MFA board had expressed support for real estate title insurance legislation to the extent such legislation would lower housing costs. Tom Horan, lobbyist for the title insurance industry, and Ed Roibal with LandAmerica gave their comments regarding the draft legislation and the alleged need to change the way in which the title insurance industry is regulated in New Mexico. Following questions and comments by committee members, the committee took no action regarding the proposed bill.

At the conclusion of its meetings for the 2007 interim, the MFA heard testimony regarding all of the elements of its work plan as proposed at its initial meeting and approved by the Legislative Council.

Revised July 24, 2007

**2007 APPROVED**  
**WORK PLAN AND MEETING SCHEDULE**  
**for the**  
**MORTGAGE FINANCE AUTHORITY ACT OVERSIGHT COMMITTEE**

**Membership**

Sen. Nancy Rodriguez, Chair  
Rep. Daniel P. Silva, Vice Chair  
Rep. Thomas A. Anderson  
Sen. Mark Boitano

Rep. Roberto "Bobby" J. Gonzales  
Sen. Cisco McSorley  
Sen. Leonard Lee Rawson  
Rep. Teresa A. Zanetti

**Advisory Members**

Rep. Andrew J. Barreras  
Rep. Jose A. Campos  
Rep. Daniel R. Foley  
Sen. Phil A. Griego

Sen. John T.L. Grubescic  
Sen. Richard C. Martinez  
Sen. H. Diane Snyder

**WORK PLAN**

The Mortgage Finance Authority Act oversight committee was created pursuant to the provisions of Section 58-18-5 NMSA 1978, which provides in part:

The [mortgage finance authority] shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of the Mortgage Finance Authority Act, including but without limiting the generality of the foregoing, the power:

\* \* \*

- W. subject to any agreement with bondholders and noteholders, to make, alter or repeal, **subject to prior approval by the Mortgage Finance Authority Act oversight committee, hereby created, to be composed of four members appointed by the president pro tempore of the senate and four members appointed by the speaker of the house of representatives**, such rules and regulations with respect to its operations, properties and facilities as are necessary to carry out its functions and duties in the administration of the Mortgage Finance Authority Act; . . .

Pursuant to the provisions of Section 2-12-5 NMSA 1978, the committee is further authorized to:

- A. determine and monitor the actual distribution of funds derived by the New Mexico mortgage finance authority (MFA) from bond issues and other activities of the MFA under the provisions of the Mortgage Finance Authority Act, both on a geographical basis and on the basis of the actual distribution to participants in its programs;

- B. monitor the MFA in its control of the issuance of mortgage commitments;
- C. meet on a regular basis to receive and evaluate periodic reports from the MFA as to its enforcement of the provisions of the Mortgage Finance Authority Act and the regulations adopted pursuant thereto; and
- D. require the MFA to document the need to the oversight committee regarding the issuance of any bonds.

In addition to carrying out its statutory responsibilities, the committee proposes to focus on the following areas of legislative concern during the 2007 interim:

(1) implementation and impact of the 2006 amendment of the anti-donation clause of the New Mexico constitution as it relates to regional housing;

(2) MFA's authority to issue bonds for regional housing projects, approve regional housing authority executive directors and conduct annual assessments of regional housing authorities;

(3) existing and proposed rules promulgated by MFA, including those relating to the Affordable Housing Act and the housing trust fund;

(4) the activities of MFA related to energy conservation, including "green building" and weatherization programs;

(5) implementation of Laws 2003, Chapter 118 relating to the assessment of affordable housing for taxation purposes;

(6) affordable housing on tribal lands and land grants; and

(7) 2008 legislative agenda items, including funding for emergency repairs and LIHEAP.

The committee will coordinate, as needed, with other committees regarding presentations of subject matter of common concern.

## **2007 APPROVED MEETING SCHEDULE**

<b><u>Date</u></b>	<b><u>Location</u></b>
June 11	Albuquerque
July 6	Albuquerque
August 1	Albuquerque
September 11	Albuquerque
October 1	Las Cruces
November 9	Albuquerque

**Revised: June 11, 2007**



**TENTATIVE AGENDA  
for the  
FIRST MEETING  
of the  
MORTGAGE FINANCE AUTHORITY ACT OVERSIGHT COMMITTEE**

**June 11, 2007  
Mortgage Finance Authority Office  
344 Fourth Street SW  
Albuquerque, New Mexico**

**Monday, June 11**

10:00 a.m.     **Call to Order**  
—Senator Nancy Rodriguez, Chair

**Introduction of Mortgage Finance Authority (MFA) Staff**  
—Jay Czar, Executive Director, MFA

**MFA 2007 Handbook — Overview**  
—Erin Quinn, Senior Policy and Program Advisor, MFA  
—Izzy Hernandez, Director of Program Administration, MFA  
—Lionel Holguin, Director of Community Development, MFA

**Review of 2007 Legislative Session**  
—Jay Czar, Executive Director, MFA  
—Joseph Montoya, Deputy Director of Programs, MFA  
—Erin Quinn, Senior Policy and Program Advisor, MFA  
—Lionel Holguin, Director of Community Development, MFA

**MFA Strategic Plan — Overview**  
—Erin Quinn, Senior Policy and Program Advisor, MFA  
—Izzy Hernandez, Director of Program Administration, MFA

**Town Meeting Outcomes**  
—Jay Czar, Executive Director, MFA

**2007 Interim Work Plan and Meeting Schedule Development**  
—Jay Czar, Executive Director, MFA  
—Chase Van Gorder, Staff Attorney, Legislative Council Service

**Adjourn**



**MINUTES  
of the  
FIRST MEETING  
of the  
MORTGAGE FINANCE AUTHORITY ACT  
OVERSIGHT COMMITTEE**

**June 11, 2007  
Mortgage Finance Authority Office  
344 Fourth Street SW  
Albuquerque**

The first meeting of the Mortgage Finance Authority Act Oversight Committee was called to order by Senator Nancy Rodriguez, chair, at 10:15 a.m. in the offices of the Mortgage Finance Authority in Albuquerque.

**Present**

Sen. Nancy Rodriguez, chair  
Sen. Mark Boitano  
Rep. Roberto "Bobby" J. Gonzales  
Sen. Cisco McSorley  
Rep. Teresa A. Zanetti

**Absent**

Rep. Daniel P. Silva, vice chair  
Rep. Thomas A. Anderson  
Sen. Leonard Lee Rawson

**Advisory Members**

Rep. Jose A. Campos  
Rep. Daniel R. Foley  
Sen. H. Diane Snyder

Rep. Andrew J. Barreras  
Sen. Phil A. Griego  
Sen. John T.L. Grubestic  
Sen. Richard C. Martinez

**Staff**

Chase Van Gorder, Staff Attorney

**Guests**

The guest list is in the meeting file.

Copies of all handouts and written testimony are in the meeting file.

**Monday, June 11**

Sen. Rodriguez welcomed committee members and guests to the meeting and committee members introduced themselves. Jay Czar, executive director of the Mortgage Finance Authority (MFA), introduced himself and staff members to the committee.

## **MFA 2007 Handbook — Overview**

Erin Quinn, senior policy and program advisor with MFA, reviewed with the committee the MFA Handbook for 2007. Topics reviewed included housing-related bills considered during the 2007 legislative session, the MFA Act, MFA rules, the mandate, mission, vision and core values of MFA, the MFA organizational chart, the MFA strategic plan, a summary of estimated financial resources available to MFA and single-family, multifamily and targeted initiatives and production sheets. Questioning from committee members concerned projected MFA organizational growth, Section 8 housing, counseling services, nonprofit 501(c)3 partners, so-called "soft second mortgages", the weatherization program and outreach to local governments.

## **Review of 2007 Legislative Session**

Mr. Czar thanked committee members for supporting MFA's legislative agenda and actively sponsoring many of MFA's legislative initiatives. One major success was the passage of Senate Bill 534 introduced by Sen. Rodriguez that amended the Affordable Housing Act. Two appropriation bills initiated by MFA, House Bill 267 introduced by Rep. Gonzales (\$2 million for emergency home repairs) and Senate Bill 114 introduced by Sen. Martinez (\$1 million supplemental for weatherization), received no funding, but Mr. Czar indicated that MFA would try again in the next session. Senate Bill 519, which passed at the very end of the session, provides for oversight by MFA of the regional housing authorities; this bill will be reviewed in more detail at a future committee meeting. Additional funding was approved for the Housing Trust Fund (Senate Bill 282), the residential energy efficiency loan program (Senate Bill 404) and low-income home heating relief (House Bill 372/Senate Bill 323). Other successful substantive legislative proposals concerned public housing authority audits (House Bill 372/Senate Bill 263) and expansion of a tax deduction for low-income housing material gross receipts (House Bill 833).

## **MFA Strategic Plan — Overview**

Izzy Hernandez, director of program administration for MFA, reviewed the first two elements of the MFA strategic plan: 1) finance, produce and preserve housing; and 2) manage assets for quality, stability and risk control. Erin Quinn reviewed the other three elements of the MFA strategic plan: 1) ensure profitability and sustainability; 2) innovate, advocate, create and implement; and 3) align strategically and operationally. For each element, the presenters identified specific goals, the current status of progress toward meeting each goal and whether each goal had been met, was on target or indicated caution. All but two of the goals had either been met or were on target. Caution was indicated only in the two goals addressing single-family development and improvement or maintenance of funding commitments and expenditure rates. Discussion by committee members concerned the manner in which counties provided sales data.

## **2007 Interim Work Plan and Meeting Schedule Development**

Mr. Czar and Sen. Rodriguez lead a discussion of the proposed work plan for the committee for the 2007 interim. The first two items in the proposed work plan had been suggested by the Legislative Council: the 2006 amendment to the anti-donation clause of the New Mexico Constitution and the MFA's increased role in the oversight of regional housing authorities. MFA suggested the following items be included in the committee's work plan: 1) review of the 2006 anti-donation clause constitutional amendment and its implications; 2) regional housing authority reform; 3) Housing Trust Fund rules and regulations; 4) Affordable Housing Act rules and regulations; 5) MFA rules and regulations; 6) green build, EnergySavers and energy efficiency; 7) emergency repair funding; 8) tour of the Barelas single-family housing development (first

project completed with Housing Trust Fund support); and 9) the committee's 2008 legislative agenda. The committee agreed to incorporate MFA's suggestions into the committee's proposed work plan. Other issues the committee agreed to consider are the link between affordable housing and location, the problem with the assessed value of residential properties and uniform compliance with state statutes regarding disclosure of property sales data, and the LIHEAP program and weatherization. There was also discussion of the possibility of the committee's meeting at least once in a location other than the MFA offices in Albuquerque, but no final decision was reached. On a motion by Sen. McSorley, seconded by Rep. Gonzales, the committee voted without opposition to approve a proposed committee work plan for the 2007 interim to be completed in accordance with the committee's discussion. Mr. Van Gorder noted that he would work with Sen. Rodriguez to finalize the drafting of the proposed work plan for presentation to the Legislative Council on June 26.

### **Adjournment**

There being no further business before the committee, the first meeting of the MFA Act Oversight Committee for the 2007 interim was adjourned at 12:10 p.m.



Revised: June 25, 2007

**TENTATIVE AGENDA  
for the  
SECOND MEETING  
of the  
MORTGAGE FINANCE AUTHORITY ACT OVERSIGHT COMMITTEE**

**July 6, 2007  
Mortgage Finance Authority Office  
344 Fourth Street SW  
Albuquerque, New Mexico**

**Friday, July 6**

**10:00 a.m. Call to Order**

—Senator Nancy Rodriguez, Chair

**Mortgage Finance Authority (MFA) — Status Update**

—Jay Czar, Executive Director, MFA

**Regional Housing Authorities — MFA Oversight**

—Jay Czar, Executive Director, MFA

—Joseph Montoya, Deputy Director of Programs, MFA

—Erin Quinn, Senior Policy and Program Advisor, MFA

—Izzy Hernandez, Director of Program Administration, MFA

—Richard Chavez, Regional Housing Authorities Liaison, MFA

- Current Status of Regional Housing Authorities
- Review Final Version of Senate Bill 519 (Laws 2007, Chapter 50)
- New and Revised Roles and Duties of MFA, MFA Act Oversight Committee
- MFA's Steps to Implement Senate Bill 519 (Laws 2007, Chapter 50)

**Adjourn**





**MINUTES  
of the  
SECOND MEETING  
of the  
MORTGAGE FINANCE AUTHORITY ACT  
OVERSIGHT COMMITTEE**

**July 6, 2007  
Mortgage Finance Authority Office  
344 Fourth Street SW  
Albuquerque**

The second meeting of the Mortgage Finance Authority Act Oversight Committee was called to order on July 6, 2007 by Senator Nancy Rodriguez, chair, at 10:07 a.m. in the offices of the Mortgage Finance Authority in Albuquerque.

**Present**

Sen. Nancy Rodriguez, Chair  
Rep. Daniel P. Silva, Vice Chair  
Rep. Thomas A. Anderson  
Sen. Mark Boitano  
Rep. Roberto "Bobby" J. Gonzales  
Sen. Cisco McSorley  
Rep. Teresa A. Zanetti

**Absent**

Sen. Leonard Lee Rawson

**Advisory Members**

Rep. Andrew J. Barreras  
Rep. Jose A. Campos  
Sen. Phil A. Griego  
Sen. Richard C. Martinez  
Sen. H. Diane Snyder

Rep. Daniel R. Foley  
Sen. John T.L. Grubesic

**Staff**

Chase Van Gorder, Staff Attorney

**Guests**

The guest list is in the meeting file.

Copies of all handouts and written testimony are in the meeting file.

**Friday, July 6**

**Mortgage Finance Authority — Status Update**

Jay Czar, executive director of the Mortgage Finance Authority (MFA), noted that MFA's most recent town meeting had been conducted in Eunice, New Mexico. That area is

experiencing a tremendous housing shortage due to new economic development in the area. A recently adopted emergency housing ordinance permits people to live in so-called fifth wheels and trailers parked in yards. The last town meeting will be conducted the following week in Portales.

### **Regional Housing Authorities Authority — MFA Oversight**

Joseph Montoya, MFA deputy director of operations, briefed the committee on the background and current status of the regional housing authorities. The seven regional housing authorities were created by the legislature in 1978 to help provide safe, decent and affordable housing. The creation of these authorities permitted the use of federal Department of Housing and Urban Development (HUD) "Section 8" funds for affordable housing. The regional housing authorities were given the power to exercise eminent domain and to issue bonds. Regions 5 and 6 are currently rated as doing exceptionally good work. Nothing is currently being done in Regions 1 and 7. Region 2 operates only in Los Alamos and is classified as a "troubled" organization (this is a HUD rating category based upon specific rating criteria). Region 3 is also classified as being troubled. Region 3 was the impetus for the reform legislation passed during the 2007 legislative session. That region is currently being operated under the auspices of the regional council of governments. Problems related to the manner in which Region 3 used bond funds included the loan of funds to Regions 2 and 7. The State Investment Council may need to dispose of Region 3 assets in order to pay off the bonds that had been issued. The 2007 legislature appropriated funds for an audit of the regional housing authorities. MFA hopes to have specific recommendations regarding Region 3 within three months. One objective is to ensure there is not a gap in the provision of Section 8 housing vouchers. MFA expects to have specific legislative recommendations for the 2009 legislative session.

It was noted that the regional housing authorities are limited to assistance with rental housing and receive virtually all of their funding from the federal government. Some portion of federal funding is allocated to operational expenses of the regional housing authorities. The funding for Region 3 was only from the sale of bonds and it has been alleged that too much of those funds were allocated to operational expenses. Senator Snyder requested that MFA staff prepare a spreadsheet with information regarding each of the regional housing authorities, including types of housing assistance, HUD status rating, rate of success and the percentage of administrative fees with an appendix explaining HUD ratings. Senator Martinez inquired about the possible consolidation of local and regional housing authorities and suggested that enabling legislation to permit such consolidation should be considered.

### **2007 Amendments to Regional Housing Legislation — Senate Bill 519**

Mr. Czar presented a matrix describing the allocation of responsibilities among the MFA, the committee, the Department of Finance and Administration (DFA), the Legislative Finance Committee and the State Board of Finance for the oversight of regional housing authorities. Rick Martinez, deputy secretary of finance and administration, explained the role of the department in the oversight of regional housing authorities. The Local Government Division of the DFA currently has oversight processes and procedures already in place. Mr. Martinez indicated that the department will go back and review prior audits of the regional housing authorities and will review proposed budgets for regional housing authorities. The department

suggested hiring a coordinator for regional housing authorities that would be officed within MFA but paid for by the department. Richard Chavez, former executive director for the Bernalillo County Housing Authority, has been hired to fill that position. Mr. Chavez introduced himself and described his background in housing authorities. He has already conducted an initial meeting with all regional housing authority directors.

### **Minutes**

Upon a motion by Representative Barreras, seconded by Senator Boitano, the committee approved without objection the minutes from the June 2007 meeting of the Mortgage Finance Authority Act Oversight Committee.

### **Other Business**

Mr. Van Gorder advised the committee that MFA staff had requested a change in the committee's September 17 meeting date due to a conflict with a previously scheduled meeting. The committee agreed to change its September meeting date to Tuesday, September 11, and the meeting will be held in Albuquerque. The committee's meeting on October 1 will be held in Las Cruces or another location as suggested by MFA staff. Committee members requested that a representative of HUD be invited to present to the committee. The committee is also interested in hearing from large and small housing developers and representatives of the regional housing authorities. It was also suggested that the state needs to come up with ideas for creative financing programs to assist in the development of affordable housing in rural areas. The committee observed a moment of silence in honor of Senator Rawson's parents who had been involved in a recent automobile accident that resulted in the death of Senator Rawson's father.

### **Adjournment**

There being no further business before the committee, the second meeting of the Mortgage Finance Authority Act Oversight Committee for the 2007 interim was adjourned by Senator Rodriguez at 12:15 p.m.

**TENTATIVE AGENDA  
for the  
THIRD MEETING**

**Revised: August 1, 2007**

**of the  
MORTGAGE FINANCE AUTHORITY ACT OVERSIGHT COMMITTEE**

**August 1, 2007  
Mortgage Finance Authority Office  
344 Fourth Street SW  
Albuquerque, New Mexico**

**Wednesday, August 1**

10:00 a.m.     **Call to Order**  
—Senator Nancy Rodriguez, Chair

**Mortgage Finance Authority (MFA) — Status Update**  
—Jay Czar, Executive Director, MFA

**EnergySavers Programs**  
—Erin Quinn, MFA Staff

**Weatherization Assistance Program**  
—Gina Martinez, MFA Staff

**Housing Preservation Program**  
—Rose Baca-Quesada, MFA Staff

**Green Build Initiatives**  
—Joseph Montoya, Assistant Director for Programs, MFA

**Adjourn**

**MINUTES  
of the  
THIRD MEETING  
of the  
MORTGAGE FINANCE AUTHORITY ACT  
OVERSIGHT COMMITTEE**

**August 1, 2007**  
**Mortgage Finance Authority Office**  
**344 Fourth Street SW**  
**Albuquerque**

The third meeting of the Mortgage Finance Authority Act Oversight Committee was called to order on August 1, 2007 by Senator Nancy Rodriguez, chair, at 10:10 a.m. in the offices of the Mortgage Finance Authority in Albuquerque.

**Present**

Sen. Nancy Rodriguez, Chair  
Rep. Thomas A. Anderson  
Sen. Mark Boitano  
Rep. Roberto "Bobby" J. Gonzales  
Sen. Cisco McSorley  
Sen. Leonard Lee Rawson  
Rep. Teresa A. Zanetti

**Absent**

Rep. Daniel P. Silva, Vice Chair

**Advisory Members**

Rep. Andrew J. Barreras  
Rep. Daniel R. Foley  
Sen. Richard C. Martinez

Rep. Jose A. Campos  
Sen. Phil A. Griego  
Sen. John T.L. Grubestic  
Sen. H. Diane Snyder

**Staff**

Chase Van Gorder, Staff Attorney

**Guests**

The guest list is in the meeting file.

Copies of all handouts and written testimony are in the meeting file.

**Wednesday, August 1**

**EnergySavers Initiatives**

Erin Quin, senior policy and program advisor, Mortgage Finance Authority (MFA), briefed the committee on the EnergySavers Program, a new program that is the result of a \$1 million appropriation by the legislature during the 2007 session. Energy costs impose a disproportionate burden on low- and moderate-income families for whom energy costs may total up to 25% of their monthly budgets. New Mexicans can save significant amounts of money by living in energy-efficient homes and apartments. The average household spends between \$1,300 and \$1,500 annually on energy bills, half of which is attributable to heating and cooling costs. Spectrally selective low-e windows can cut cooling costs by as much as 38%. Climate-appropriate insulation can reduce heating and cooling costs by up to 30%. Energy-efficient furnace and air conditioning systems can save consumers 30 to 40% on heating and cooling bills.

The EnergySavers Program will be administered by the MFA and will include two pilot programs. The first program will include a pool of funds available to low- and moderate-income homeowners for low rates and no-interest loans for energy-efficient retrofits. The other program will be a pool of funds available to builders for low-interest rate loans for new energy-efficient systems for affordable single-family homes and for affordable rental housing. When loans are repaid, they will be recycled into new loans.

### **Minutes**

Upon a motion by Representative Barreras, seconded by Senator Boitano, the committee approved without objection the minutes from the June 2007 meeting of the Mortgage Finance Authority Act Oversight Committee.

### **Weatherization Assistance Program**

Gina Martinez, program specialist, MFA, briefed the committee on the MFA's Weatherization Assistance Program (WAP). The purpose of the program is to increase the energy efficiency of dwellings occupied by low-income persons and reduce residential energy expenditures. Energy bills may account for 14 to 20% of a low-income family's gross income. Households assisted through WAP average a 15% savings in energy bills. Households with incomes at or below 150% of the federal poverty level are eligible, as are households that are eligible for the Low Income Heating Emergency Assistance Program (LIHEAP). It is estimated that approximately 126,000 families in New Mexico would qualify for WAP. Between 2000 and 2006, some 8,850 households throughout the state were assisted through WAP (7% of eligible households). Funding for WAP for 2006-07 was \$4,834,868 and sources were the federal Department of Energy (\$1,857,690), the state (\$750,000), LIHEAP (\$1,403,725) and the Public Service Company of New Mexico (\$823,453). Joe Stevens, director of programs, Central New Mexico Housing Corporation, along with his crew, demonstrated how an energy audit is carried out and explained steps that can be taken to improve energy efficiency in individual homes. They do the actual installation work, and total costs cannot exceed \$2,682 per home.

Questions and comments by committee members included a request for the percentage of clients who are elderly, the availability and advisability of year-round monthly payment plans, the energy saved by improvements as compared to the energy invested in making those improvements and the usefulness of photovoltaic units for individual homes.

### **Housing Preservation Program**

Rose Baca-Quesada, assistant manager, Community Development, MFA, briefed the committee on the proposed Housing Preservation Program for low-income persons. This program was proposed in the 2007 legislative session but was not funded. It will be proposed again in the 2008 legislative session. The program is intended to provide minor home repairs to dwellings occupied by low-income households (households with up to 80% of the median income). The need for this type of assistance became evident following last year's flood near Hatch and recent tornado activity. Activities under the program would include repairs to the



dwelling's envelope, interior walls and roof and accessibility modifications for disabled persons. It was noted that federal programs require dwellings to be fully rehabilitated while a state program could allow partial rehabilitation, thereby assisting a greater number of families. It is anticipated that funds available pursuant to this program would be leveraged by funds available through other programs. Repair costs are anticipated to be \$8,000 to \$12,000 per dwelling. A \$2 million appropriation would assist an estimated 255 households. Questions and comments from committee members included the eligibility of Native American families, the definitions used in census studies, eligibility criteria for households that have land assets but are cash poor and the necessity to prioritize spending requests.

### **Green Build Initiatives**

Joseph Montoya, deputy director of programs, MFA, briefed the committee on what MFA is doing in the area of "green build" initiatives. MFA will soon be hiring an intern for the next year, working 20 hours per week to develop incentives for green build practices. The proposed MFA three-year strategic plan (2006-2008) includes a specific objective to implement green build initiatives in all applicable MFA products and programs and to develop a program for a low-income house tax credit for programs using green build techniques and practices. Questions and comments from committee members included the impact of the recently adopted state building code, the impact of the higher cost of green build techniques and the impact of commercial building developments using green build practices.

### **Adjournment**

There being no further business before the committee, the third meeting of the Mortgage Finance Authority Act Oversight Committee for the 2007 interim was adjourned by Senator Rodriguez at 12:00 noon.

**Revised: August 30, 2007**

**TENTATIVE AGENDA  
for the  
FOURTH MEETING  
of the  
MORTGAGE FINANCE AUTHORITY ACT OVERSIGHT COMMITTEE**

**September 11, 2007  
Mortgage Finance Authority Office  
344 Fourth Street SW**

## **Albuquerque, New Mexico**

### **Tuesday, September 11**

10:00 a.m.     **Call to Order**  
—Senator Nancy Rodriguez, Chair

**Mortgage Finance Authority (MFA) — Status Update**  
—Jay Czar, Executive Director, MFA

**Impact of Revised Constitutional Anti-Donation Clause**  
—Erin Quinn, MFA

**Existing and Proposed Rules Promulgated by MFA**  
—Lionel Holguin and Marjorie Martin, MFA (Affordable Housing)  
—Linda Bridge, MFA (Housing Trust Fund)

**Regional Housing Authorities — Region 3 Update**  
—Lawrence Rael, Region 3 Housing Authority  
—Richard Chavez, MFA

**Assessment of Affordable Housing for Tax Purposes**  
—Domingo Martinez, Santa Fe County Assessor  
—Duncan Sill, Affordable Housing Director, Santa Fe County Land Use  
Department  
—Joseph Montoya, MFA

**Federal Housing and Urban Development Programs**  
—Floyd Duran and Mandy Griego, HUD

**Adjourn**

**MINUTES  
of the  
FOURTH MEETING  
of the  
MORTGAGE FINANCE AUTHORITY ACT  
OVERSIGHT COMMITTEE**

**September 11, 2007  
Mortgage Finance Authority Office  
344 Fourth Street SW  
Albuquerque**

The fourth meeting of the Mortgage Finance Authority Act Oversight Committee was called to order by Senator Nancy Rodriguez, chair, at 10:10 a.m. on September 11, 2007 in the offices of the New Mexico Mortgage Finance Authority (MFA) in Albuquerque.

**Present**

Sen. Nancy Rodriguez, Chair  
Rep. Thomas A. Anderson  
Sen. Mark Boitano  
Rep. Roberto "Bobby" J. Gonzales  
Rep. Teresa A. Zanetti

**Absent**

Rep. Daniel P. Silva, Vice Chair  
Sen. Cisco McSorley  
Sen. Leonard Lee Rawson

**Advisory Members**

Rep. Andrew J. Barreras  
Rep. Jose A. Campos  
Sen. Richard C. Martinez

Rep. Daniel R. Foley  
Sen. Phil A. Griego  
Sen. John T.L. Grubescic  
Sen. H. Diane Snyder

**Staff**

Chase Van Gorder, Staff Attorney

**Guests**

The guest list is in the meeting file.

Copies of all handouts and written testimony are in the meeting file.

**Tuesday, September 11**

**Assessment of Affordable Housing for Tax Purposes**

Domingo Martinez, Santa Fe County assessor, and Victor Baca, Santa Fe County deputy assessor, addressed the committee regarding the issue of valuing homes within affordable housing programs at fair market value. Upon taking office as county assessor, Mr. Domingo was asked to continue the practice of his predecessor in discounting the value of homes that are under an affordable housing program. It was explained that in many instances, a homeowner is able to purchase a home for less than its fair market value, with the sponsoring affordable housing program contributing some portion of the purchase price, often the difference between the price paid by the homeowner and the fair market value of the home. An encumbrance is then often placed on the property that prohibits the homeowner for a certain period of time from selling the home at its full market value. Mr. Martinez explained that state law seems clear and he has had no choice but to assess homes at the full fair market value as required by state statute. This change in policy at the Office of the County Assessor had the impact of increasing real property taxes owed on 400-500 homes in Santa Fe County that were under an affordable housing program. Mr. Martinez explained the mechanism through which real estate tax rates were established and how the statutory cap on residential property taxes works. He also noted that prior to the 2007 legislative session, his office had requested an opinion from the attorney general on whether the statute dealing with the valuation of residential properties required

including a portion of a property's fair market value even though the landowner could not realize the full fair market value upon sale. An opinion has not yet been received and, although Mr. Martinez worked with Speaker Ben Lujan's office regarding potential legislation, no bill was introduced on this issue during the 2007 legislative session. Duncan Sill, affordable housing director with the Santa Fe County Land Use Department, explained how this issue affected homeowners in Santa Fe County and transmitted resolutions from the Board of Commissioners of Santa Fe County and the Santa Fe City Council regarding this issue. The panelists agreed that this was an issue of statewide importance and that if the attorney general opined that homes within affordable housing programs had to be assessed at full fair market value, there would be a need for legislative action.

Questions from committee members addressed the length of time that Santa Fe County homeowners in affordable housing programs had received valuation discounts and requirements for participation in affordable housing programs. Senator Boitano said that a problem, in addition to that posed by subsidized mortgages, was the impact of an increase in valuation when a person moves from a home whose valuation has been limited by the statutory cap into a new home that is then valued at full fair market value.

### **Minutes**

Upon a motion by Representative Campos, seconded by Representative Anderson, the committee approved without objection the minutes from the August 2007 meeting of the Mortgage Finance Authority Act Oversight Committee.

### **New Mexico Mortgage Finance Authority — Status Update**

Jay Czar, MFA executive director, announced that the governor had appointed a task force on mortgage lending that would be staffed by the MFA. The task force has been requested to prepare and present for the governor's consideration by no later than October 31, 2007 recommendations related to subprime lending in New Mexico, the Home Loan Protection Act, home buyer counseling, financial literacy education, licensing requirement for mortgage loan originators and the effectiveness of plain language underwriting and more detailed disclosure requirements.

### **Impact of Revised Constitutional Anti-Donation Clause**

Erin Quinn, MFA senior policy and program advisor, briefed the committee on implementation of the 2006 revision to the anti-donation clause of the Constitution of New Mexico. That revision, approved by the voters in the 2006 general election, authorizes the state and its instrumentalities to provide for paying a portion of the costs of land for the construction of affordable housing and to provide for paying a portion of the costs of construction or renovation of construction or renovation of affordable housing. Senate Bill 534 in the 2007 legislative session (Laws 2007, Chapter 49) revised the Affordable Housing Act to permit implementation of the 2006 constitutional revision. Fourteen local governmental entities have now passed ordinances to enable them to take advantage of the 2006 constitutional revision.

### **Existing and Proposed Rules Promulgated by the MFA**

Lionel Holguin, MFA director of community development, and Marjorie Martin, MFA general counsel, reviewed proposed revisions to the administrative rules implementing the Affordable Housing Act. The proposed rules have been published and there is a period for public comment. The MFA will also be conducting a public hearing on the proposed rules. Copies of the proposed rules have also been sent to the New Mexico Municipal League and the New Mexico Association of Counties. Linda Bridge, MFA director of housing development, reviewed proposed revisions to the administrative rules implementing the Housing Trust Fund Act, which proposed rules have been approved by the advisory committee.

### **Regional Housing Authorities — Region III Update**

Lawrence Rael, executive director of the Mid-Region Council of Governments (MRCOG), and Dewey Cave, MRCOG director of planning and general services, briefed the committee on the current status of the Region III Housing Authority (Region III). Mr. Rael was appointed as interim executive director of Region III effective August 15, 2006. The MRCOG received \$35,000 from the state to provide financial and operational assistance to Region III. The intent was to find a way to fund the operation of Region III and continue the delivery of services. One source of the problems of Region III is the fact that there is no provision for the state to provide operational funding for the regional housing authorities. The MRCOG has worked to identify the liabilities and assets of Region III and to determine revenue and expenditure flows. Reduction in expenditure levels have been accomplished by reducing paid staff, eliminating staff retirement benefits and reducing board per diem and travel. Monthly expenses have been reduced from \$75,000 to \$12,000 with only two paid staff members. It was noted that Region III created a subsidiary nonprofit, Housing Enterprises, Inc. (HEI). Vincent Gallegos was the executive director of both entities. HEI operated statewide and provided operating subsidies in the amount of \$656,000 to Regions I, IV and VII. These subsidies have now been stopped, but there appears to be no mechanisms for the repayment of these subsidies. The MRCOG completed an inventory of all properties owned by Region III and HEI, including 18 homes around the state valued at approximately \$1.3 million and 31 homes that were part of a lease-purchase program, of which three are vacant. The MRCOG also worked to complete construction of four homes on land donated by the City of Gallup to Region I. The MRCOG is working with the State Investment Council (SIC) to identify and liquidate assets owned by Region III and HEI to repay the \$5 million investment by the state. The attorney general has filed lawsuits against two former Region III employees and one former Region III board member. It was also noted that two private lenders (Capital Investment III and Paul Lambert) had made loans to Region II and have sued for repayment. These loans will be repaid out of the proceeds from the sale of the Region III office building in Albuquerque. The federal Internal Revenue Service has determined that HEI was not eligible for nonprofit status and that some of the allegedly nontaxable bonds issued by Region III were in fact taxable, and that \$27 million in bonds issued for the lease-purchase program had violated arbitrage rules. The MRCOG recently received an emergency loan approved by the State Board of Finance in the amount of \$25,000 to cover operating expenses; that loan now has been converted to a grant. Questions from committee members concerned the disposition of the 18 homes owned by Region III, the status of bonds issued by Region III and the status of efforts to resolve litigation against Region III.

Richard Chavez, the MFA Regional Housing Authorities liaison, updated the committee on the current status of all regional housing authorities in the state. The MFA has forwarded to the Governor's Office recommendations for appointments as executive directors and board members for operating regional housing authorities. Regions I and VII are no longer viable entities, and no names have been submitted for these two regions. Region II no longer has any staff due to the retirement of key staff members and the resignation of the executive director. Operation of the region's Section 8 housing program has been turned over to the Santa Fe Civic Housing Authority on an interim basis. The MFA is working with the MRCOG and the SIC regarding ongoing efforts to liquidate Region III assets. Region III was the only regional housing authority that was not receiving federal funds. Region IV was being operated by the Eastern Plains Housing Development Corporation (EPHDC) and received an unfavorable rating from the U.S. Department of Housing and Urban Development (HUD). The EPHDC has now terminated its relationship with Region IV and an interim executive director and staff will take over with the goal of stabilizing the program. Regions V and VI are both in good standing with HUD, and Mr. Chavez presented an update on their continuing activities. Mr. Chavez also distributed unfavorable HUD evaluations for Regions II and IV.

### **Federal Housing and Urban Development Programs**

Mandy V. Griego, public housing revitalization specialist with the Albuquerque field office of HUD, explained to the committee the Section 8 housing program that exists in all New Mexico counties except McKinley and Cibola counties. She explained the two rating systems used by HUD for evaluating Section 8 housing programs and presented a spreadsheet with the extent of Section 8 housing programs in New Mexico and the rating of each program.

### **Adjournment**

There being no further business before the committee, the fourth meeting of the Mortgage Finance Authority Act Oversight Committee for the 2007 interim was adjourned at 1:35 p.m.

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**Revised: September 27, 2007**

**TENTATIVE AGENDA  
for the  
FIFTH MEETING  
of the  
MORTGAGE FINANCE AUTHORITY ACT OVERSIGHT COMMITTEE**

**October 1, 2007  
Barbara Hubbard Room  
Pan American Center - New Mexico State University  
Las Cruces, New Mexico**



## **Monday, October 1**

10:00 a.m.     **Call to Order**  
—Senator Nancy Rodriguez, Chair

**Welcome**  
—Dr. Waded Cruzado Salas, Executive Vice President/Provost, New Mexico State University

**Mortgage Finance Authority (MFA) — Status Update**  
—Jay Czar, Executive Director, MFA

**Regional Housing Authorities — Regions 5 and 6 Update**  
—Cathy DeMarco, Region V Housing Authority  
—Chris Herbert, Region VI Housing Authority  
—Richard Chavez, Regional Housing Authorities Liaison, MFA

**Private Developer Participation in MFA Programs**  
—Tom Hassell, Housing Authority of the City of Las Cruces/Doña Ana County  
—Tom Andrews, JL Gray Company

12:00 noon     **Lunch and Welcoming Remarks**  
—Las Cruces Mayor Pro Tem Dolores Connor (invited)  
—Las Cruces City Manager Terrence Moore (invited)  
—Espy Holguin, Program Specialist, U.S. Department of Housing and Urban Development

1:00 p.m.

**Tour of MFA-Financed Projects**

—Tom Hassell, Housing Authority of the City of Las Cruces/Doña Ana County

- Las Cruces - Stone Mountain Place

—Rose Garcia, Tierra del Sol Housing Corporation

- Las Cruces - Los Altos Villas Apartments
- Colonia - Dos Lagos

3:00 p.m.

**Adjourn**

**MINUTES  
of the  
FIFTH MEETING  
of the  
MORTGAGE FINANCE AUTHORITY ACT  
OVERSIGHT COMMITTEE**

**October 1, 2007  
Barbara Hubbard Room — Pan American Center  
New Mexico State University  
Las Cruces**

The fifth meeting of the Mortgage Finance Authority Act Oversight Committee was called to order by Representative Daniel P. Silva, vice chair, at 10:15 a.m. on Monday, October 1, 2007, in the Barbara Hubbard Room at the Pan American Center, New Mexico State University in Las Cruces.

**Present**

Rep. Daniel P. Silva, Vice Chair  
Rep. Thomas A. Anderson  
Sen. Mark Boitano  
Sen. Cisco McSorley  
Sen. Leonard Lee Rawson

**Absent**

Sen. Nancy Rodriguez, Chair  
Rep. Roberto "Bobby" J. Gonzales  
Rep. Teresa A. Zanetti

**Advisory Members**

Rep. Andrew J. Barreras  
Sen. Richard C. Martinez

Rep. Jose A. Campos  
Rep. Daniel R. Foley  
Sen. Phil A. Griego  
Sen. John T.L. Grubescic  
Sen. H. Diane Snyder

**Also Present**

Sen. Mary Kay Papen  
Rep. Mary Helen Garcia  
Rep. Joni Marie Gutierrez

**Staff**

Chase Van Gorder, Staff Attorney

**Guests**

The guest list is in the meeting file.

Copies of all handouts and written testimony are in the meeting file.

## **Monday, October 1**

### **Welcome**

Dr. Waded Cruzado Salas, executive vice president and provost, New Mexico State University (NMSU), welcomed committee members to Las Cruces and NMSU on behalf of President Mike V. Martin, who was unable to be present. Dr. Salas complimented the committee members on the work they and the Mortgage Finance Authority (MFA) are doing and observed that they are working toward the same goal as the university: touching the lives of all New Mexicans.

### **Francis Williams — Comments**

Senator Papen introduced Francis Williams, who was invited to make comments to the committee. Ms. Williams thanked Lt. Governor Diane Denish and Senator Papen for their work in passing Senate Bill 519 during the 2007 legislative session, which bill affected the structure of the state's regional housing authorities. She commented on the price she has paid as a whistleblower and the work that still needs to be done to address problems with the state's regional housing authorities. She stated the need for the passage of an ethics bill to address collusion, corruption and cronyism. The full text of her comments is in the meeting file.

### **New Mexico Mortgage Finance Authority — Status Update**

At the request of Vice Chairman Silva, Jay Czar, MFA executive director, gave a brief review of the provisions of Senate Bill 519 passed during the 2007 legislative session, including the role of the MFA in the oversight of regional housing authorities. Mr. Czar indicated that he does not anticipate new legislation affecting regional housing authorities until the 2009 legislative session.

### **Regional Housing Authorities — Regions V and VI Updates**

Cathy De Marco, executive director of the Region V Housing Authority (Region V), serving Grant, Catron, Hidalgo and Luna counties, gave a review of Region V's activities. The mission of Region V is to provide decent, safe and affordable housing to low-income families as well as to promote economic opportunity and a suitable living environment free from discrimination. Region V is committed to maintaining a high level of standards and professionalism in the day-to-day management of all programs administered by Region V. Region V has had "high performance" status through the U.S. Department of Housing and Urban Development (HUD) for the last six years and has had unqualified audits for more than 10 years. Ms. De Marco reviewed the services provided by Region V through the HUD Section 8 Housing Choice Voucher Program (911 vouchers allocated over the four-county area), HUD Low-Rent Public Housing Program (54 units in Silver City) and the five project-based units built in Silver City. Challenges faced by Region V include the lack of affordable rental units due to the demand of housing at higher rental rates by the U.S. Border Patrol and the goal to increase the authority's lease-up rate from 89% to 98%. Region V is working on expanding its voucher program to include home ownership.

Chris Herbert, executive director of the Region VI Housing Authority (Region VI), serving Lincoln, Otero, Eddy, Chaves and Lea counties, gave a review of Region VI's activities.

The mission of Region VI is to assist low-income families with finding safe, decent and affordable housing opportunities as they work toward self-sufficiency, and to improve the quality of their lives. Region VI is committed to operating in an efficient, ethical and professional manner. Region VI has had "high performance" status through HUD for the last five years and has had unqualified audits for the past three years. Mr. Herbert reviewed the services provided by Region VI through the HUD Section 8 Housing Choice Voucher Program (1,285 vouchers allocated over the five-county area), HUD Public Housing Program (84 units in Roswell, Capitan and Carrizozo), U.S. Department of Agriculture (USDA) Rural Development Property (20 multifamily units in Hagerman), HUD Project-Based Multi-Family Development (88 units in Carlsbad and 88 units in Hobbs), 152 units in Hobbs that are rent-controlled, a home ownership program and an owner-occupied rehabilitation program. Challenges faced by Region VI include the refinancing and rehabilitation of properties owned by Region VI and the dwindling funds provided pursuant to the HUD public housing budget.

Richard G. Chavez, MFA Regional Housing Authority liaison, gave a regional housing authority update. Regions I and VII are no longer viable entities and are to be discontinued. All operational aspects of Region II have been turned over to the Santa Fe Civic Housing Authority through a six-month contract. Region II has not had a financial audit since 2003. The Mid-Region Council of Governments is currently responsible for all of Region III's properties throughout the state. Region IV has taken steps recently to adopt policies and procedures required by HUD for continued operation and to put an interim staff in place. A request for proposals will be issued for an operational contract. An audit of operations since fiscal year 2004 should begin in January 2008. Quarterly reporting by MFA to the Department of Finance and Administration is scheduled to begin this month. MFA is working to ensure that information required for audits of regional housing authorities can be provided to the Office of the State Auditor.

### **Private Developer Participation in MFA Programs**

Tom Hassell, executive director of the Housing Authority of the City of Las Cruces and Dona Ana County (Housing Authority), briefed the committee on the history and activities of the Housing Authority. The Housing Authority began operations in 1961 with 64 HUD conventional public-housing units. The Housing Authority in the late 1980s and 1990s began acquiring and rehabilitating existing properties and converting them into affordable housing. Mr. Hassell reviewed the entire inventory of housing and noted that the New Mexico Housing Corporation is an affiliated 501(c)3 nonprofit corporation and discussed several recent housing projects. The Housing Authority is changing its focus from rental programs to home ownership programs. In the past, the Housing Authority has generated some income through the sale of property but is now looking for new ways to leverage funds to build more housing. Mr. Hassell reviewed a number of ways in which the legislature might be able to provide financial assistance through home ownership programs for low- and moderate-income families. Thomas Andrews, vice president of J.L. Gray Company, discussed his company's involvement in the development and management of multifamily rental housing for low- and moderate-income families. His company presently manages 2,800 units of affordable housing. He noted that when economic growth occurs in a region, the stock of affordable housing often decreases as new families

moving into the region can pay higher rents and, therefore, landlords often choose not to continue renting to tenants utilizing housing vouchers.

### **The Colonias — Update**

Esperanza "Espy" Holguin, program specialist, Colonias Project, HUD, gave the committee a brief overview of the Colonias Project. The Southwest Border Region, Colonias and Migrant/Farmworker Initiatives were started seven years ago to address problems of the colonias along the U.S.-Mexican border. "Las Colonias" are rural communities, usually within 150 miles of the border, characterized by persistent poverty and substandard housing. HUD's Office of Departmental Operations and Coordination has been working with NMSU as well as state and local governments to address the problems of the 145 colonias located in New Mexico.

### **Lunch; Tour of MFA-Financed Projects**

Following the presentation regarding private developer participation in MFA programs, the committee had lunch, at which time welcoming comments were given by Las Cruces Mayor Pro Tem Dolores Connor, Las Cruces City Manager Terrence Moore and Ms. Holguin. Following lunch, committee members were given a tour of the following MFA projects: Stone Mountain Place and Los Altos Village Apartments in Las Cruces. Representative Jeff Steinborn was present to welcome committee members to the Los Altos Village Apartments.

### **Adjournment**

Following the tour of MFA-financed projects, the fifth meeting of the MFA Act Oversight Committee for the 2007 interim was adjourned at 3:30 p.m.

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**of the  
MORTGAGE FINANCE AUTHORITY ACT OVERSIGHT COMMITTEE**

**November 9, 2007  
Mortgage Finance Authority Office  
344 Fourth Street SW  
Albuquerque, New Mexico**

**Friday, November 9**

10:00 a.m.     **Call to Order**  
—Senator Nancy Rodriguez, Chair

**Mortgage Finance Authority (MFA) — Status Update**  
—Jay Czar, Executive Director, MFA

**2008 Legislative Endorsements — MFA-Sponsored Legislative Initiatives**  
—MFA Staff

**2008 Legislative Proposals — MFA-Supported Legislative Initiatives**  
—New Mexico Coalition to End Homelessness Agenda; Hank Hughes,  
                 Executive Director, New Mexico Coalition to End Homelessness  
—New Mexico Behavioral Health Purchasing Collaborative; Richard Chavez,  
                 Regional Housing Authorities Liaison, MFA  
—Habitat for Humanity of New Mexico/Partners Program; Joseph Montoya,  
                 Deputy Director for Programs, MFA  
—Title Insurance Reform, Fred Nathan, Executive Director, Think New Mexico

**Programs on Tribal Lands and Land Grants**  
—Linda Bridge, Director of Housing Development, MFA  
—Lionel Holguin, Director of Community Development, MFA

**Regional Housing Authorities — Status Update**  
—Richard Chavez, Regional Housing Authorities Liaison, MFA

**MFA Strategic Plan**  
—Jay Czar, Executive Director, MFA

**Adjourn**

**MINUTES  
of the  
SIXTH MEETING  
of the  
MORTGAGE FINANCE AUTHORITY ACT  
OVERSIGHT COMMITTEE**



**November 9, 2007**  
**Mortgage Finance Authority Office**  
**344 Fourth Street SW**  
**Albuquerque**

The sixth meeting of the Mortgage Finance Authority (MFA) Act Oversight Committee was called to order by Senator Nancy Rodriguez, chair, at 10:00 a.m. on November 9, 2007 in the offices of the MFA in Albuquerque.

**Present**

Sen. Nancy Rodriguez, Chair  
Rep. Daniel P. Silva, Vice Chair  
Rep. Thomas A. Anderson  
Sen. Mark Boitano  
Rep. Roberto "Bobby" J. Gonzales  
Sen. Cisco McSorley  
Sen. Leonard Lee Rawson

**Absent**

Rep. Teresa A. Zanetti

**Advisory Members**

Rep. Andrew J. Barreras  
Rep. Daniel R. Foley  
Sen. Richard C. Martinez

Rep. Jose A. Campos  
Sen. Phil A. Griego  
Sen. John T.L. Grubestic  
Sen. H. Diane Snyder

**Also Present**

Sen. Rod Adair

**Staff**

Doris Faust, Staff Attorney

**Guests**

The guest list is in the meeting file.

Copies of all handouts and written testimony are in the meeting file.

## **Friday, November 9**

Senator Rodriguez welcomed committee members and guests to the meeting and committee members introduced themselves. Jay Czar, executive director of the MFA, introduced himself and staff members to the committee.

### **MFA — Status Update**

Mr. Czar reported that the Governor's Task Force on Mortgage Lending had completed its report and submitted it to the governor. The task force had been convened to evaluate the impact of the national subprime lending crisis on in-state mortgage lending and to make recommendations to protect New Mexico consumers. The MFA provided administrative staff and support to the task force. Key issues studied by the task force included licensure of mortgage brokers, mortgage disclosure requirements and financial literacy programs.

The task force concluded that although New Mexico has less of a problem with subprime lending than many other states, steps could be taken to mitigate the potential problems created by subprime lending. The task force made recommendations for legislative reform; home-buyer counseling and financial literacy education; and loan originator licensing. Copies of the task force report were provided to all committee members.

### **Title Insurance Reform**

Fred Nathan, executive director of Think New Mexico, noted that all committee members had been sent a report regarding title insurance. Mr. Nathan gave a brief background on Think New Mexico, which he described as a results-oriented think tank whose primary goal is to build and strengthen the middle class in New Mexico.

Mr. Nathan stated that increasing the number of homeowners is one of the best ways to increase middle class wealth. Think New Mexico has focused this year on title insurance and on reforming title insurance law as a means of increasing the ability of New Mexicans to afford their own homes. New Mexico is one of only three states where title insurance prices are set by state regulators. Think New Mexico contends that price regulation, which prohibits competition by title insurers, has created artificially high prices for title insurance.

Mr. Nathan discussed proposed legislation that will address minimum required coverage, what title insurance would protect against, lenders policies versus owners policies and deregulation of the industry to increase competition among title insurers. He also reported that deregulation should save New Mexicans approximately \$30 million in title insurance premiums.

The committee members agreed that they should see a copy of the bill before considering committee endorsement and decided to hear the matter at a future meeting. The committee will request approval from the Legislative Council to hold a meeting on December 21, 2007 in Albuquerque.

### **2008 Legislative Endorsements — MFA-Sponsored Legislative Initiatives**

Mr. Czar, Joseph Montoya, Lionel Holguin and Erin Quinn of the MFA presented seven bills that the MFA proposed for committee endorsement and also requested endorsement of a capital outlay reauthorization. The committee agreed that the capital outlay reauthorization should be requested by the original sponsor of the capital outlay, and it endorsed the following bills:

- \* an appropriation of \$15 million to the New Mexico Housing Trust Fund, to be sponsored by Senator Rodriguez;
- \* an appropriation of \$2.5 million for a residential energy efficiency improvement loan program, to be sponsored by Senator Martinez;
- \* an appropriation of \$5 million for a residential energy conservation program, to be sponsored by Senator Martinez;
- \* an appropriation of \$2 million for an emergency home repairs program, to be sponsored by Senator Martinez;
- \* an appropriation of \$2 million for a below-market home loans program, to be sponsored by Representative Gonzales;
- \* an appropriation of \$1 million for a home buyer education program, to be sponsored by Senator McSorley; and
- \* a bill to clarify the purpose of an appropriation passed by the legislature in the 2007 session for audits of regional housing authorities, to be sponsored by Senator Rawson.

#### **2008 Legislative Proposals — MFA — Supported Legislative Initiatives**

The New Mexico Coalition to End Homelessness requested additional funding of at least \$500,000 to the Human Services Department for a supportive housing program, and also requested \$760,000 to expand supportive housing services for youth who are coming out of foster care.

Mr. Czar, Richard Chavez and Ms. Quinn discussed the New Mexico Behavioral Health Purchasing Cooperative. Mr. Montoya discussed the Habitat for Humanity of New Mexico/Partners program.

#### **Regional Housing Authority Update**

Mr. Chavez provided a brief update of the regional housing authorities, reporting that:

- \* a resolution was made to disband the board of Region II;
- \* Region III still has audit issues, with three years of audits still needed;
- \* the MFA has just provided Region IV with a new contract;
- \* Regions V and VI both need to expand some programs, but these two regions do not have the problems that some of the other regions have;
- \* Regions II and IV are the worst of the regional housing authorities, and both need to get into compliance with the federal Department of Housing and Urban Development requirements; and
- \* the state auditor is doing an audit of all regional housing authority assets.

**Minutes**

Upon a motion made and seconded, the committee approved without objection the minutes from the September 2007 and October 2007 meetings of the MFA Act Oversight Committee.

**Adjournment**

The committee requested that the scheduled presentations regarding programs on tribal lands and land grants and on the MFA strategic plan be made at the next meeting. There being no further business before the committee, the sixth meeting of the MFA Act Oversight Committee for the 2007 interim was adjourned at 1:00 p.m.

- 4 -

**TENTATIVE AGENDA  
for the**

**Revised: December 18, 2007**

**SEVENTH MEETING  
of the  
MORTGAGE FINANCE AUTHORITY ACT OVERSIGHT COMMITTEE**

**December 21, 2007  
Mortgage Finance Authority Office  
344 Fourth Street SW  
Albuquerque, New Mexico**

**Friday, December 21**

9:30 a.m.      **Call to Order**

—Senator Nancy Rodriguez, Chair

**Mortgage Finance Authority (MFA) — Status Update**

—Jay Czar, Executive Director, MFA

**Regional Housing Authorities — Status Update**

—Richard Chavez, Regional Housing Authorities Liaison, MFA

**Programs on Tribal Lands and Land Grants**

—Linda Bridge, Director of Housing Development, MFA

—Lionel Holguin, Director of Community Development, MFA

**MFA Strategic Plan**

—Jay Czar, Executive Director, MFA

**2008 Legislative Endorsements — MFA-Sponsored Legislative Initiatives**

—"HERO" Home Loan Program—MFA Staff

—Affordable Housing Act 2007 Capital Outlay Amendment—MFA Staff

**2008 Legislative Proposals — MFA-Supported Legislative Initiatives**

—Title Insurance Reform, Fred Nathan, Executive Director, Think New Mexico

**Adjourn**

**MINUTES  
of the  
SEVENTH MEETING  
of the  
MORTGAGE FINANCE AUTHORITY ACT**

## **OVERSIGHT COMMITTEE**

**December 21, 2007**  
**Mortgage Finance Authority Office**  
**344 Fourth Street SW**  
**Albuquerque**

The seventh meeting of the Mortgage Finance Authority Act Oversight Committee was called to order by Senator Nancy Rodriguez, chair, at 9:43 a.m. on Friday, December 21, 2007, in the offices of the New Mexico Mortgage Finance Authority (MFA) in Albuquerque.

### **Present**

Rep. Thomas A. Anderson  
Sen. Mark Boitano  
Rep. Roberto "Bobby" J. Gonzales  
Sen. Cisco McSorley  
Sen. Leonard Lee Rawson  
Sen. Nancy Rodriguez, Chair  
Rep. Daniel P. Silva, Vice Chair  
Rep. Teresa A. Zanetti

### **Absent**

### **Advisory Members**

Rep. Daniel R. Foley  
Sen. Richard C. Martinez

Rep. Andrew J. Barreras  
Rep. Jose A. Campos  
Sen. Phil A. Griego  
Sen. John T.L. Grubescic  
Sen. H. Diane Snyder

### **Staff**

Chase Van Gorder, Staff Attorney

### **Guests**

The guest list is in the meeting file.

Copies of all handouts and written testimony are in the meeting file.

### **Friday, December 21**

#### **New Mexico Mortgage Finance Authority — Status Update**

Jay Czar, MFA executive director, commented that the demand for MFA-issued bonds was strong and that there are three times as many bonds issued as there were two years ago. The problems with the subprime mortgage market seem to have little effect in New Mexico and on MFA bonds.

#### **Regional Housing Authorities Authority — MFA Oversight**

Richard Chavez, MFA regional housing authorities liaison, updated the committee on the current status of the regional housing authorities. Region I and Region VII are no longer viable

operating entities. Region II has been officially dissolved as a regional housing authority and all operations have been transferred to the Santa Fe Civic Housing Authority. There are a number of outstanding financial issues regarding the former Region II Housing Authority that need to be cleared up. The Mid-Region Council of Governments has taken control of all properties formerly owned by the Region III Housing Authority. Efforts are being made to determine the physical state of all of these properties and to develop a strategy for disposing of them. Funds also need to be found to complete a three-year audit of Region III. It was expected that the operations of Region IV would be turned over to the Regional Housing Authority of Roswell. The Region IV board, however, is under the impression that operations have improved to the point where the authority can continue to operate on its own. It is unclear whether Region IV will be able to continue operating on its own. The Region V and Region VI Housing Authorities continue to operate as viable entities. The Office of the State Auditor has completed its inventory of assets for all of the regional housing authorities but has not undertaken any analysis.

### **Programs on Tribal Lands and Land Grants**

Linda Bridge, MFA director of housing development, reviewed the status of MFA programs on tribal lands. Prior to 1997, New Mexico tribes generally had not accessed state-administered federal housing programs, but this changed with the passage at the federal level of the Native American Housing Assistance and Self-Determination Act. Tribes and tribally designated housing entities have become more involved in accessing federal programs to increase housing opportunities for Native Americans. Existing requirements were modified to meet tribal needs, such as 50-year leases rather than fee simple ownership or 99-year leases. At this time, all but seven of the tribes have enacted mortgage codes. Nine tribes have produced 461 units of rental housing using low-income housing tax credits and other MFA-administered programs (15 developments totaling over \$47 million) as well as 150 units of home ownership or home rehabilitation. More than \$3 million in federal grants were obtained to support more than 300 units of affordable housing.

Lionel Holguin, MFA director of community development, explained the history of the New Mexico land grants. There are presently 22 traditional land grant communities in New Mexico that manage more than 200,000 acres of community land. Truchas, Abiquiu, Chilili and Anton Chico have all set aside communal land for the development of affordable housing. MFA is currently working to develop a land grant loan program that would enable assistance to land grant residents who qualify pursuant to the MFA affordable housing guidelines.

### **2008 Legislative Endorsements— MFA Sponsored Legislative Initiatives**

Chase Van Gorder, staff attorney, explained changes that had been made to a draft appropriation bill for a home loan program as a result of comments by committee members at the committee's November meeting. A loan recipient would have to reside in a home as the recipient's principal residence for at least 12 consecutive months following the purchase of the home. Members of the MFA staff responded to questions by committee members regarding the current MFA "HERO" home loan program. The HERO program has assisted approximately 200 households since its inception. Following a discussion regarding limitations on administrative fees for MFA, upon a motion by Representative Gonzales that was seconded by Senator Martinez, the committee voted without objection to endorse the proposed bill.



### **2008 Legislative Endorsements — MFA Supported Legislative Initiatives**

Fred Nathan and Grant Taylor of Think New Mexico presented a draft of a bill that would address the real estate title industry in New Mexico. Jay Czar noted that the MFA board had expressed support for real estate title insurance legislation to the extent such legislation would lower housing costs. Mr. Nathan reviewed the history of the regulation of real estate title insurance in New Mexico, noting that in 1985, legislation was passed to place title insurance under the control of the superintendent of insurance. He reviewed the draft legislation section by section and noted that it had been drafted in collaboration with the superintendent of insurance and the Public Regulation Commission. Tom Horan, lobbyist for the title insurance industry, and Ed Roibal with LandAmerica gave their comments regarding the draft legislation and the alleged need to change the way in which the title insurance industry is regulated in New Mexico. Following questions and comments by committee members, the committee took no action regarding the proposed bill.

### **Adjournment**

There being no further business before the committee, the seventh meeting of the Mortgage Finance Authority Act Oversight Committee for the 2007 interim was adjourned at 12:50 p.m.

SENATE BILL

**48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2008**

INTRODUCED BY

FOR THE MORTGAGE FINANCE AUTHORITY ACT OVERSIGHT COMMITTEE

AN ACT

MAKING AN APPROPRIATION FOR EMERGENCY AND MINOR REPAIRS OF  
HOMES OCCUPIED BY LOW-INCOME PERSONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. APPROPRIATION.--Two million dollars  
(\$2,000,000) is appropriated from the general fund to the  
department of finance and administration for expenditure in  
fiscal years 2009 and 2010 for the New Mexico mortgage finance  
authority to provide for emergency and minor repairs of homes  
occupied by low-income persons in New Mexico. Emergency and  
minor repairs include repairs necessitated by natural  
disasters, repair and replacement of roofs and accessibility  
modifications for physically impaired persons. No more than  
five percent of this appropriation shall be used by the New  
Mexico mortgage finance authority for administrative expenses.

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1 Any unexpended or unencumbered balance remaining at the end of  
2 fiscal year 2010 shall revert to the general fund.

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SENATE BILL

**48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2008**

INTRODUCED BY

FOR THE MORTGAGE FINANCE AUTHORITY ACT OVERSIGHT COMMITTEE

AN ACT

MAKING AN APPROPRIATION TO EXPAND A RESIDENTIAL ENERGY  
CONSERVATION PROGRAM FOR LOW-INCOME PERSONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. APPROPRIATION.--Five million dollars  
(\$5,000,000) is appropriated from the general fund to the  
department of finance and administration for expenditure in  
fiscal years 2009 and 2010 for the New Mexico mortgage finance  
authority to provide for a residential energy conservation  
program to increase the energy efficiency and reduce energy  
expenditures of homes occupied by low-income persons in New  
Mexico. No more than five percent of this appropriation shall  
be used by the New Mexico mortgage finance authority for  
administrative expenses. Any unexpended or unencumbered  
balance remaining at the end of fiscal year 2010 shall revert

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1 to the general fund.

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SENATE BILL

**48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2008**

INTRODUCED BY

FOR THE MORTGAGE FINANCE AUTHORITY ACT OVERSIGHT COMMITTEE

AN ACT

MAKING AN APPROPRIATION TO THE HOUSING TRUST FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. APPROPRIATION.--Fifteen million dollars (\$15,000,000) is appropriated from the general fund to the New Mexico housing trust fund for expenditure in fiscal year 2009 and subsequent fiscal years for the purposes of carrying out the provisions of the New Mexico Housing Trust Fund Act. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

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SENATE BILL

**48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2008**

INTRODUCED BY

FOR THE MORTGAGE FINANCE AUTHORITY ACT OVERSIGHT COMMITTEE

AN ACT

MAKING AN APPROPRIATION FOR A RESIDENTIAL ENERGY EFFICIENCY  
IMPROVEMENT LOAN PROGRAM; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. APPROPRIATION.--Two million five hundred  
thousand dollars (\$2,500,000) is appropriated from the general  
fund to the department of finance and administration for  
expenditure in fiscal years 2008 through 2010 for the New  
Mexico mortgage finance authority to create and implement a  
residential energy efficiency improvement loan program for low-  
and moderate-income households whose incomes are no more than  
one hundred twenty percent of the area median income as defined  
by the United States department of housing and urban  
development. Energy efficiency improvements may include  
conversion of existing utility systems to solar systems or

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1 other energy-efficient retrofits. No more than five percent of  
2 the appropriation shall be used by the New Mexico mortgage  
3 finance authority for administrative expenses. Any unexpended  
4 or unencumbered balance remaining at the end of fiscal year  
5 2010 shall revert to the general fund.

6 Section 2. EMERGENCY.--It is necessary for the public  
7 peace, health and safety that this act take effect immediately.

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SENATE BILL

**48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2008**

INTRODUCED BY

FOR THE MORTGAGE FINANCE AUTHORITY ACT OVERSIGHT COMMITTEE

AN ACT

MAKING AN APPROPRIATION FOR A HOME BUYER EDUCATION PROGRAM.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. APPROPRIATION.--One million dollars (\$1,000,000) is appropriated from the general fund to the department of finance and administration for expenditure in fiscal years 2009 and 2010 for the New Mexico mortgage finance authority to create and implement a home buyer education program, which program shall include the education component required pursuant to Subsection G of Section 58-30-7 NMSA 1978. Any unexpended or unencumbered balance remaining at the end of fiscal year 2010 shall revert to the general fund.

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SENATE BILL

**48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2008**

INTRODUCED BY

FOR THE MORTGAGE FINANCE AUTHORITY ACT OVERSIGHT COMMITTEE

AN ACT

RELATING TO HOUSING; CLARIFYING THE PURPOSE OF AN APPROPRIATION  
FOR AUDIT SERVICES; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Laws 2007, Chapter 50, Section 8 is amended to  
read:

"Section 8. APPROPRIATION--ACCOUNTING OF ASSETS.--Two  
hundred thousand dollars (\$200,000) is appropriated from the  
general fund to the state auditor for expenditure in fiscal  
years 2007 ~~[and 2008]~~ through 2009 for the purpose of  
conducting ~~[an accounting of all assets acquired by regional  
housing authorities pursuant to the Regional Housing Law]~~ a  
complete financial audit of regional housing authorities. No  
later than December 1, ~~[2007]~~ 2008, the results of the  
~~[accounting]~~ audit shall be presented to the legislative

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1 finance committee, the Mortgage Finance Authority Act oversight  
2 committee and the department of finance and administration.  
3 Any unexpended or unencumbered balance remaining at the end of  
4 fiscal year [~~2008~~] 2009 shall revert to the general fund."

5 Section 2. EMERGENCY.--It is necessary for the public  
6 peace, health and safety that this act take effect immediately.

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SENATE BILL

**48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2008**

INTRODUCED BY

FOR THE MORTGAGE FINANCE AUTHORITY ACT OVERSIGHT COMMITTEE

AN ACT

MAKING AN APPROPRIATION FOR AUDIT SERVICES RELATED TO REGIONAL  
HOUSING AUTHORITIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. APPROPRIATION.--One hundred thousand dollars  
(\$100,000) is appropriated from the general fund to the state  
auditor for expenditure in fiscal year 2009 to conduct complete  
financial audits of regional housing authorities. No later  
than December 1, 2008, the results of the audit shall be  
presented to the legislative finance committee, the Mortgage  
Finance Authority Act oversight committee and the department of  
finance and administration. Any unexpended or unencumbered  
balance remaining at the end of fiscal year 2009 shall revert  
to the general fund.

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HOUSE BILL

**48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2008**

INTRODUCED BY

FOR THE MORTGAGE FINANCE AUTHORITY ACT OVERSIGHT COMMITTEE

AN ACT

MAKING AN APPROPRIATION FOR A HOME LOAN PROGRAM FOR TEACHERS,  
PUBLIC SAFETY WORKERS, HEALTH CARE WORKERS AND ACTIVE MEMBERS  
OF THE MILITARY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. APPROPRIATION.--Two million dollars  
(\$2,000,000) is appropriated from the general fund to the  
department of finance and administration for expenditure in  
fiscal year 2009 and subsequent fiscal years for the New Mexico  
mortgage finance authority to offer below-market interest rate  
home loans and down payment assistance to teachers, public  
safety workers, health care workers and active members of the  
military for the purchase of a home located in New Mexico in  
which the purchaser will reside as the purchaser's primary  
residence for at least the twelve consecutive months following

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1 the purchase of that home. No more than five percent of the  
2 appropriation shall be used by the New Mexico mortgage finance  
3 authority for administrative expenses. Any unexpended or  
4 unencumbered balance remaining at the end of a fiscal year  
5 shall not revert to the general fund.

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